

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe



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Japan Declares New Far Eastern Policy

Warns Western Nations That China Must Not Be Strengthened by Outside Help

REASONS FOR STEP DISCUSSED

Seen as Logical Development of Her Manchurian Adventure in 1931

Japan has entered a new stage in its relations with western nations, one which brings up for the United States the whole question of its policies and interests in the Far East. As reported last week the new turn of events first came to light on April 17, when Eiji Amau, a spokesman in the Japanese foreign office, suddenly and dramatically announced that Japan could not permit China to receive financial, military and technical assistance from foreign individuals or foreign governments which might result in strengthening the Chinese to such an extent that they could effectively oppose Japanese policy in Asia.

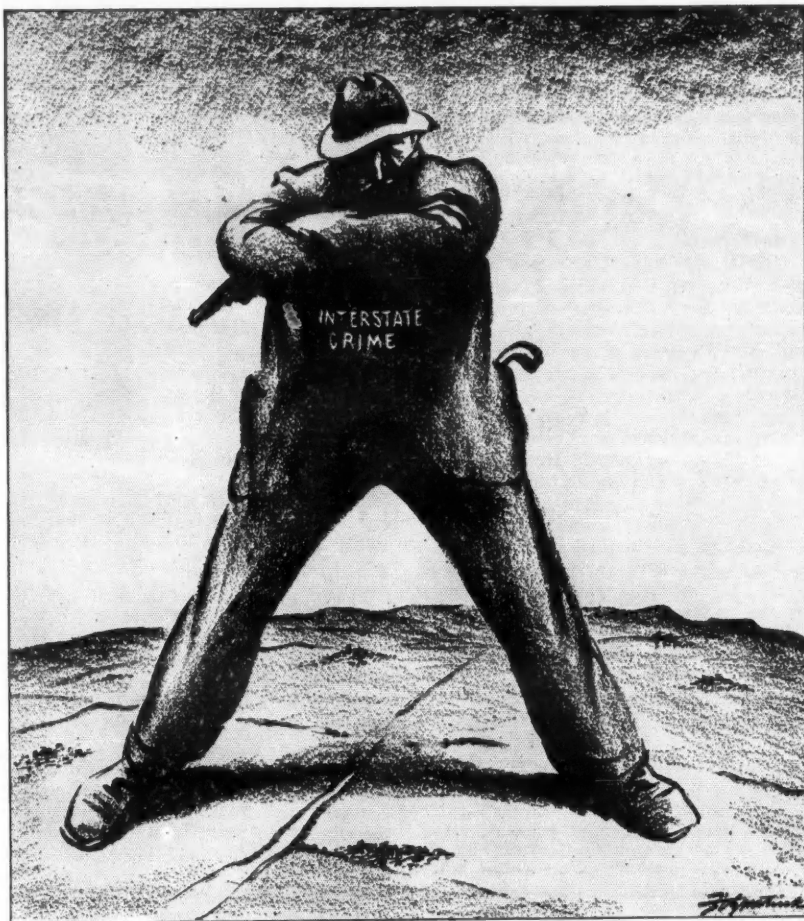
Guardian of Asia

Reduced to its simplest terms this blunt declaration meant that Japan considers China her own back yard and other nations must be careful how they play in it. The Japanese have said that they do not wish to interfere with the trade of western nations with China, but they insist that the trade must be of such a character as not to conflict with Japanese interests. Japan considers herself the appointed guardian of peace in Asia. She believes that no other country understands the problems of China, and therefore, no other country can be permitted to contribute to the turmoil in the Far East by giving China the strength to oppose Japan.

The statement produced consternation in the capitals of foreign powers. Here at last, many said, was the Asiatic Monroe Doctrine which Japan was supposed to have had up her sleeve for a long time. Here was another forward step in Japan's continuous policy of establishing her overlordship in the Far East. More than ever, now, Japan had become a menace to the world. What would the other nations do, particularly the United States and Great Britain, which had important trade relations with China?

The governments of these two countries remained discreetly silent while trying to learn exactly what Japan meant and how far she was prepared to go. There was some surprise that such an important statement had been made by a mere official spokesman and not by the foreign minister, Koki Hirota, himself. The two governments wondered whether it was the intention of Mr. Hirota, who had seemed anxious to pursue a conciliatory policy toward the West, to have such a blunt declaration made. It appears that the spokesman acted without consulting his superior although this has not been fully established. It has been suggested that he acted on behalf of the military group which dominates Japan rather than for the foreign office. Substance was lent to this report three days later (April 20) when another statement, (this time delivered by the order of Mr. Hirota), came out of the foreign office. The text of this state-

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A JOB FOR UNCLE SAM

—Fitzpatrick in St. Louis POST-DISPATCH

Great Americans

If you were asked to make a list of the greatest names in American history what names would you include? Would the list be filled with the names of statesmen and generals and industrialists? Perhaps it would, if you take at face value the emphasis placed upon achievements by the writers of most of our histories. Much space is given to our presidents, our military chieftains, and the men who have amassed great fortunes in business. Passing reference is made to scientists, artists, philosophers and educators. But usually the leaders in these latter groups are thrown in with the apparent purpose of rounding out the picture and making the record complete. Their achievements are not ordinarily treated by historians as integral and essential elements in the building of America. And in our current reading, we see very much about the political and business leaders, but very little about those who are contributing to science and culture.

It is no doubt inevitable that our attention should be directed chiefly to those who are conspicuous in the fields of politics or war or entertainment. The activities of such men are dramatic. They can easily be described and understood. Those who are engaged in cultural pursuits, on the other hand, do not so often take action which is either dramatic or easily understood by the masses. It is only occasionally that the quality of their work comes prominently before the eye of the public. When a great scientist dies, his passing may be made the occasion for the evaluation of his work and it may be seen that he has contributed more to the national welfare than have any of his more conspicuous contemporaries. The death last week of Dr. William H. Welch, popularly known as the dean of American medicine, called attention to the service he had rendered to the American people. On the occasion of his eightieth birthday four years ago, it was said by President Hoover that "more than any other American he has contributed to the relief of human suffering and pain."

What American of the present day, or any day, for that matter, has performed a greater service to the people of his country? If one's greatness is to be measured by the contribution he makes to the comfort, the security, the happiness or the cultural development of men, women and children, then the successful scientists and inventors and educators and artists may probably lay more claim to greatness of higher character than those political or industrial or military leaders who are so much more widely acclaimed. We would be in a better position to assess real greatness if we gave less attention to the mere fact of prominence and if we ascribed the greatest merit to the service of mankind.

Crime Measures Are Rushed in Congress

Are Designed to Extend Federal Police Power over Criminals Who Cross State Lines

Roosevelt SUPPORTS BILLS

They Will Help to Curb Gangsters, but Cannot Solve All Crime Problems

Immediately after John Dillinger, the desperado, and his heavily armed band of five outlaws, shot dead a federal officer and made their hair-breadth escape from a Wisconsin inn, President Roosevelt requested Congress to pass a number of bills which would greatly enlarge the police powers of the federal government. The bills were already being considered by congressional committees and some had been approved in the Senate. Most, if not all of them, it is expected, will be hurriedly adopted in consequence of an aroused public opinion coupled with the president's request.

Federal Action

These anti-crime measures were formulated after the tidal wave of kidnappings had occurred last year. Nearly all of them originated in the United States Department of Justice. They are designed to fortify the federal police power in order to smash the criminal gangs and racketeers whose operations menace the lives and savings of thousands of American citizens each year. We are all familiar with the ruthless, machine-gun technique of modern criminals. In very many cases it is impossible for local and state police agencies to apprehend organized gangsters who take the advantage offered them by state lines to carry on their unlawful and terrorizing activities. Here is how Attorney General Cummings classifies these criminals:

"Those who use the fast means of travel, those classes of criminals who seek to earn their living by threats of violence, moving about from one state to another to avoid detection—require the attention, in my opinion, of the federal authorities. It is to curb their depredations that these bills are directed. To them crime has become a business, a cold, hard, calculating enterprise."

The handicapped position of state and local police agencies in combating organized, roving criminals successfully has led many individuals and associations to urge the federal government to assume greater responsibility in this connection. The Department of Justice has received requests from all parts of the country. Some of these have gone so far as to demand that martial law be declared and military action taken. Others have suggested amending the Constitution, transferring all police power to the federal government. However, the Department of Justice is definitely opposed to any such rash action and all the bills it has submitted to Congress are thought to have constitutional sanction. Mr. Cummings firmly contends that it is not the intention of his department, through the enactment of these bills, to usurp local and state police authority. He believes that "generally the suppression of crime is the obligation of the various states and local political subdivisions." But he realizes

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Notes From the News

Bootlegging Still Flourishes; Sketch of Adolf Berle; Voluntary Health Insurance Group Attacked; Stimson Upholds President Roosevelt's Tariff Request

PRESIDENT ROOSEVELT received quite a boost last week in his efforts to have tariff authority placed in his hands for the purpose of speedily making reciprocal tariff agreements with other nations. His support came from none other than Henry L. Stimson, secretary of state in the Hoover cabinet. In a nation-wide radio address, Mr. Stimson said that the granting of tariff power to the chief executive is imperative for the expanding of foreign markets. He praised Secretary of Agriculture Wallace's pamphlet entitled "American Must Choose." This pamphlet, declared Mr. Stimson, "performed a very distinct service" by pointing out that as a result of agriculture expansion in the World War and post-war readjustment, the United States must abandon 50,000,000 acres of farm land or develop "a very



HENRY L. STIMSON

large volume of foreign trade which we have not now got." He went on to say that he was "not impressed" by the argument that the tariff legislation desired by President Roosevelt would give "dictatorial powers to our Executive." Continuing, he said:

Commerce between the nations today is chiefly governed not by permanent tariff laws but by temporary restrictions of an entirely different character. Trade is being parceled out among frightened nations by quotas and other arbitrary systems of distribution which are being made and varied with great rapidity. Under such conditions our government is at an almost hopeless disadvantage in its efforts to restore that measure of foreign trade which we must have if our prosperity is to return.

Congressional revision of tariffs, even revision by the United States Tariff Commission, is too slow, when the chief executives of other nations can move quickly. . . . A great scramble is going on for foreign trade among the nations. Each one is trying to hold what it can of its own commerce and at the same time to get all that it can of the commerce of others.

Such action by other countries may leave the United States so far behind that the channels of foreign trade will become permanently disarranged with the consequent result of a permanent loss of some of the American export markets.

Unemployment Declines

If employment is any barometer for business conditions, we are continuing on the upward trend. More than half a million people went back to work in March, according to the National Industrial Conference Board. This reduced the total of unemployed to slightly over 8,000,000, a decline of 5,182,000 from March, 1933. While the National Industrial Conference Board's figures are always under those put out by the American Federation of Labor, both these organizations report a big decline in unemployment since last March.

Bootlegging Not Checked

"As concerns liquor, the United States is living in a fool's paradise. We know that prohibition's Frankenstein monster, the bootleg trade, is still with us, but we refuse to see its size and power, or to recognize what it has done to us." This frank utterance was recently made by Joseph H. Choate, Jr., director of the Federal Alcohol Control Administration. He went on to say that while the legal liquor industry is operating to capacity, bootleg production is not losing any ground. This would indicate, he said, that the public is buying and consuming a great deal more alcoholic beverages now than before repeal. The reverse had been expected by anti-prohibitionists. Mr. Choate gave the following five suggestions on how to solve the bootlegging problem:

First, there should be greatly increased appropriations for enforcement.
Second, a campaign should be started and maintained by every organization interested

in temperance, including all honest dries and repealists, to arouse public opinion and compel the aid of every police and prosecuting authority, local and state, as well as federal, to press for efficient and drastic action.

Third, there should be immediate adoption of every reasonable means of cheapening and improving the legal product and to induce all decent citizens to withdraw support from the bootlegger.

Fourth, there should be such reduction in taxes and import duties, as will enable the legal producers and importers to compete.

Fifth, there should be relaxation of such forms of sales-control as make it harder for the buyer to get legal beverages than illegal goods.

Adolf Berle

One of the original members of President Roosevelt's so-called "brain trust" was Adolf Berle, a lawyer and professor of law at Columbia University. He toured with Mr. Roosevelt during the presidential campaign and assisted in writing several of the campaign speeches.

Mr. Berle is now thirty-eight years old. He was considered an "infant prodigy" during his college days. He finished his college work at Harvard in three years and was graduated with honors at seventeen. Later he attended Harvard Law School. From the outset, those who came into contact with him were aware of his brilliant mind. However, he was not well known to the public until last year when he collaborated with Gardiner C. Means in writing a book called "The Modern Corporation and Private Property." It explains the remarkable growth of American corporations and shows how this growth affects the lives of the mass of people. In summing up, Messrs. Berle and Means wrote:

The rise of the modern corporation has brought a concentration of economic power which can compete on equal terms with the modern state—economic power versus political power, each strong in its own field. The state seeks in some aspects to regulate the corporation, while the corporation, steadily becoming more powerful, makes every effort to avoid such regulation. Where its own interests are concerned, it even attempts to dominate the state. The future may see the economic organism, now typified by the corporation, not only on an equal plane with the state, but possibly even superseding it as the dominant form of social organization. The law of corporations, accordingly, might well be considered as a potential constitutional law for the new economic state, while business practice is increasingly assuming the aspects of economic statesmanship.

Mr. Berle has learned about corporations and how they operate from actual experience. He has served as lawyer for a number of the larger concerns. He is not hesitant to criticize the practices and conduct of business men before the 1929 crash. He thinks many of them were greedy and were not looking out for the

public welfare. But he still holds out the hope that they will begin anew, and will have higher goals in mind than merely to amass great fortunes at the expense of others. When he speaks to bankers he reminds them that in England it is considered highly unethical for a banker to make a large personal income. No one desires our democratic and capitalistic system to survive more than Mr. Berle. But he warns the leaders of industry and finance that unless they adopt higher standards of business conduct, our system is in danger.

At present Mr. Berle holds a minor office in the New York City government. Although his position is minor in name, he is one of Mayor La Guardia's closest advisers. The two are working side by side to improve the financial plight of the world's largest city. In addition to his New York duties, Mr. Berle frequently goes to Washington to discuss national matters with President Roosevelt.

Clinic in Dispute

Socialized medicine is the source of friction in Los Angeles—friction which is attracting widespread interest among members of the medical profession. The issue is as follows: Dr. H. Clifford Loos and Dr. Donald E. Ross, both of whom are well qualified by training and experience to practice medicine, operate what is known as the Ross-Loos medical group. What it amounts to is a socialized medical center. A five-story building, fully equipped for clinical purposes, is utilized for offices of fifty-seven physicians belonging to the group. Other doctors in the group are stationed in twenty suburban villages. Families willing to pay a relatively small monthly fee can obtain all their medical attention from these physicians.

This institution was established in 1929. It has 15,000 members. They with their families make a total of about 50,000 persons who receive their entire medical and surgical care from the Ross-Loos medical group.

The plan was first called to the attention of the country by a committee on the costs of medical care, appointed by President Hoover. The committee made a study of the "economic aspects of the prevention and care of sickness." It revealed that "through a system of voluntary health insurance employees in Los Angeles were able to purchase medical service for themselves and dependents for slightly over \$2.00 per month. They received far more care than similar economic groups were able to pur-



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SENATOR WILLIAM E. BORAH

chase from private practitioners and it was equal or superior in quality."

Recently, however, the Los Angeles County Medical Association took steps to weaken this group which has, of course, offered serious competition to private practitioners. Drs. Loos and Ross were dismissed from the association on various charges. The two doctors vigorously deny every charge and they are planning an appeal to the State Medical Association. The nation's medical profession is eagerly awaiting the outcome of this dispute, as it may exert a considerable influence on the future trend of medical practice.

Senator Borah to Tour Nation

Senator Borah, the silver-tongued orator from Idaho, is going to do an unusual thing this summer. He is going to take the stump to discuss New Deal policies. He is neither entirely for nor against these policies. As a progressive Republican, he is naturally in favor of certain reform measures already enacted or pending. But he is also imbued with the belief that the NRA is fostering monopolies and making the "little fellow's" existence even more shaky than before. Therefore, he is going to tour the country, expressing his likes and dislikes of the administration's efforts to date. It is not to be a political campaign, for Mr. Borah's senatorial term does not expire for three years yet. As one newspaper puts it: "Borah simply plans to revive the old American town-meeting custom of discussing publicly public issues."

Tourists from Abroad

The first boatload of foreign tourists here to take advantage of the favorable exchange of their currencies for dollars arrived in New York a short time ago. Previously Americans could exchange their dollars abroad for generous amounts of foreign currencies to use in travel; now this situation has been partly reversed by the depreciation of our dollar. In other words, foreigners can buy more dollars with their currency than they could heretofore, and thus they need less of their own money to travel in this country.

Adequate Iodine Supply

The United States need not fear a shortage of iodine, according to a recent article in "Industrial and Engineering Chemistry" by G. Ross Robertson, of the University of California. Mr. Robertson points out that southern California alone is able to supply the needs of the entire country with this dependable antiseptic. Most of it comes from near Long Beach, and is believed to be derived from a vast forest of seaweed once occupying this region, but now covered over.

In the AMERICAN OBSERVER of April 23, Senator Gerald Nye was referred to as representing Wisconsin. This was an error which we wish to correct. Mr. Nye is from North Dakota.



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FISHER BODY WORKERS STRIKE

The recent auto labor agreement has not brought peace to the industry. General Motors employees in Cleveland and St. Louis went on strike last week because of wage and collective bargaining disagreements.

AROUND THE WORLD

Japan The United States and Great Britain have struck back at Japan's attempt to establish a protectorate over China (see page 1). On the same day both nations made public representations which their respective ambassadors had made to Foreign Minister Hirota in Tokyo. Our government told Japan that "in the opinion of the American people and the American government, no nation can, without the assent of the other nations concerned, rightfully endeavor to make conclusive its will in a situation where there are involved the rights, the obligations and the legitimate interests of other sovereign states." This amounts to saying that the United States is not willing to make any concessions to Japan as regards China although it "seeks to be duly considerate of the rights, the obligations and the legitimate interests of other countries." The statement is a complete affirmation of our policy toward Japan ever since she invaded Manchuria in 1931. It is based on the Kellogg-Briand treaty and the Nine Power treaty.

The British declaration said very much the same thing. Stressing the Nine Power treaty it maintained that "the British government must, of course, continue to enjoy all the rights in China which were common to all the signatories . . ." and that "His Majesty's government could not admit the right of Japan alone to decide whether any particular action, such as the provision of technical and financial assistance, promoted such danger (to the peace and integrity of China)."

Germany: Toward the end of March the German government was approached by the Soviet government with a proposal that the two countries sign a treaty guaranteeing the independence of the Baltic states—Finland, Latvia, Lithuania and Estonia—which formerly were a part of the Russian empire. "The Soviet government," an official explained to the press afterward, "considered it both desirable and timely that the question of the independence of the Baltic states should receive clarification, in view of the well-known thesis of Alfred Rosenberg (head of the Nazi foreign bureau) concerning Germany's need for room toward the East and the further fact that this theory is also championed in Adolf Hitler's biography. The protocol we proposed was, therefore, intended as a touchstone of Germany's sincerity in the matter respecting the sovereignty of the Baltic states."

Germany refused to sign the pact, saying that the Baltic states are not threatened and that consequently there is no need to guarantee their independence. In an official statement explaining this attitude the government stated that it "cannot permit intentions of this sort (designs on the Baltics) to be imputed in any way to itself." Russia is not convinced and fears that some day Germany will attempt to expand eastward. She believes that if Germany had no aspirations whatever with regard to the Baltics, the pact could easily be negotiated.

Spain: As this is written Spain rocks on the brink of civil war. The cabinet of Alejandro Lerroux resigned a few days ago because President Zamora did not give his full approval to a bill pardoning imprisoned or exiled monarchist sympathizers. The situation became so tense that for a time it seemed that Zamora himself, who has headed the government ever since the republic came into being, would quit. He did not, however, and called upon Ricardo Samper Ibanez, who

had been minister of industry and commerce in the Lerroux cabinet, to assume the premiership. The new cabinet differs little from the one which preceded it. Meanwhile turmoil in the republic increases as Socialists and extremists prepare to battle what they term a movement toward Fascism on the part of present government leaders.

Cuba: The Cuban Consul general in New York has taken out a warrant for the arrest of Gerardo Machado, former president of the republic, who is wanted on charges of murder and embezzlement. But Señor Machado has disappeared from his New York City residence and detectives have been unable to locate him. His agents are reported to have informed the government that he would appear to face extradition charges if guaranteed bail. The plea is made that he is a political refugee and cannot be extradited at the request of the Cuban Court of Sanctions for other than political offenses. Cuba, however, is determined to make Machado pay for his years of tyranny, bloodshed and misgovernment and expects the United States to extradite him.

Geneva: The United States will not take the lead in another effort to break the disarmament deadlock, it became known last week after a visit to the White House by Secretary of State Hull and Norman Davis, recently returned from Europe. Considerable pressure has been exerted upon President Roosevelt to take action. But Mr. Roosevelt, having already appealed twice for peace and disarmament since coming into office, does not feel that he could bridge the gap between Germany and France. The United States looks upon disarmament as a European problem at this time and is not inclined to take an active part in discussions. Mr. Davis may go to Geneva for the meeting of the conference on May 23, but he is frankly pessimistic over the prospects of arms reduction.

Italy: The Italian government will increase and perfect its armed forces, declared King Victor Emmanuel in a speech opening the twenty-ninth session of the Italian parliament. "We sincerely and ardently desire as long a period of peace as is possible for Italy and for Europe, but the best guaranty of peace lies in the

efficiency of our armed forces." Thus, Italy ceases to pay lip-service to disarmament and prepares to join in the impending arms race.

This meeting of parliament is to be the last under Mussolini's régime in Italy. The deputies were elected on March 25 for the express purpose of ending parliamentary government and turning their functions over to the Fascist Corporative State—a series of economic councils under the thumb of Mussolini. As soon as the necessary constitutional reforms are passed they will vote themselves out of power. The development of the corporative state in interest in Italy will be watched with great interest. Such structural changes have been talked about by the Fascists for a long time but until now not a great deal has been done to put them into effect.

Great Britain: The export of rubber is to be regulated by an international plan for the next five years. According to an announcement made in London on April 29, nearly all the countries interested in rubber production, have signed an agreement to control trade in rubber. The areas affected are Malaya, the Netherlands, East Indies, India, Burma, French Indo-China, North Borneo, Sarawak and Siam. Each producing area will have an export quota. No attempt will be made to fix prices but a reasonable price is expected to be maintained by adjusting the supply to the demand.

Argentina: On April 28, the representatives of twelve Pan-American nations, including the United States, came together in Buenos Aires and signed the anti-war pact which Argentina has been nursing since 1933. Five nations had already signed. Colombia is the only large power which has not yet adhered. Both Bolivia and Paraguay are on the list, but this does not prevent them from continuing their Chaco war. The Argentine pact is something of a Latin-American Kellogg-Briand pact, initiated by Dr. Carlos Saavedra Lamas, foreign minister of that country. It not only condemns wars of aggression, but pledges the nations not to recognize new boundaries set up as the result of the employment of force. It declares that all territorial questions must be settled peacefully and stipulates that, if the treaty is violated, the other signatories shall agree to stand together in

bringing legal and moral pressure to bear, but under no circumstances are they to intervene in the dispute. At the Montevideo conference last December the Pan-American nations agreed to sign this treaty and at the same time to accept the Kellogg-Briand pact which only some of them had signed.

China: More than any time since 1900, states the latest report of the Foreign Policy Association, China is in danger of being partitioned among various powers. Japanese influence in Manchuria and Inner Mongolia, Russian in Outer Mongolia, British in Tibet, and French in Indo-China and Yunnan, makes the prospects for a united China remote at the present time. The writer, T. A. Bisson, goes on to show how Japan's policies are bound up in these developments:

As an island empire, Japan cannot permit the development of a strong and united China. Japan's future on the Asiatic mainland would be best secured by the establishment of a series of minor states, over which it could exercise hegemony. The first step in this direction was taken with the creation of Manchoukuo. The second step would be the establishment of a Mongolkuo, which by historical precedent might logically acknowledge the suzerainty of the Manchoukuo emperor. Such a Mongolian state, however, could hardly be set up before a test of strength with the Soviet Union, for which Outer Mongolia constitutes a vulnerable flank.

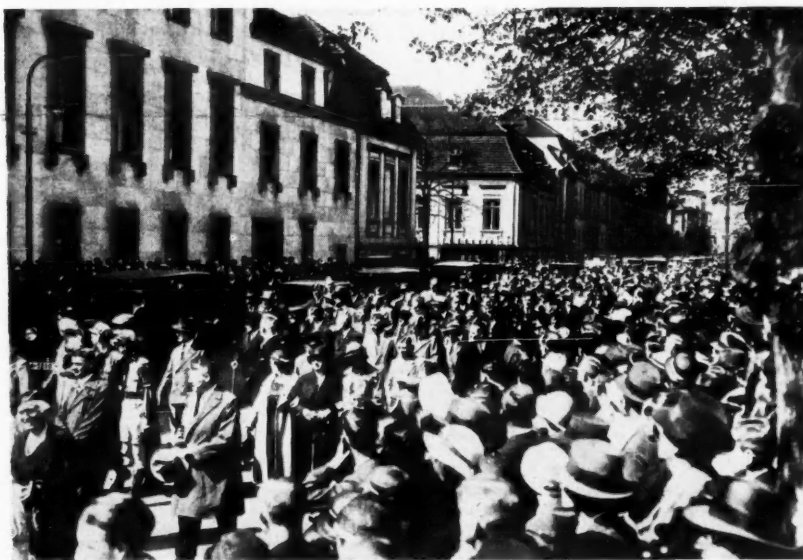
If it were successfully accomplished, Japan would confront both Great Britain and the Soviet Union in western China. Out of the ensuing struggle a Moslem state—dominated by one or the other of the great powers—would almost certainly emerge.

In the course of these events China would be reduced to the dimensions of a lesser state, dominated by Japan and its continental allies.

Austria: The new constitution announced some time ago by Chancellor Dollfuss went into effect on April 30 through an emergency decree approved by a dummy parliament called into session for the occasion. As soon as it had voted on the constitution, the parliament, like that of Italy, voted itself out of power. A corporative state, based on the Italian model, is to be established but not, authorities in Vienna think, before two years. Chancellor Dollfuss is given legal power to rule dictatorially.

Philippines: The legislature met on April 30 and accepted unanimously the independence measure enacted by Congress a few weeks ago. The Tydings-McDuffie bill will now go into effect and full independence for the islands will be achieved by about 1945. A number of Filipinos saw the bill passed with grave misgivings as they fear the consequences of an American tariff on Philippine goods. Political factions, however, had committed themselves to the law and were obliged to pass it.

Poland: The French Foreign Minister, Louis Barthou, visited Warsaw, talked with Marshal Pilsudski and declared afterward that the Franco-Polish Alliance, concluded in 1921, was as strong as ever. In recent months, there have been signs of coolness between France and Poland and at the same time a growing friendship between Poland and Germany. M. Barthou's visit was designed to win Poland back to France. He assured Poland of full French support as provided in the Alliance. Later it was announced that the agreement would be strengthened and that efforts would be made to stimulate French-Polish trade. Just how much all this means remains to be seen. Europe has reverted to the pre-war system of secret diplomacy and the movements and motives of statesmen become increasingly obscure.



GERMANY WITHOUT ITS MARTIAL SPIRIT

This picture was taken in front of Chancellor Hitler's residence as crowds gathered to celebrate his forty-fifth birthday.

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THE CRIME PROBLEM

Did you ever stop to figure out why it is that so little attention is given to the problem of checking crime? Why is it that we are so complacent in the face of the fact that thousands of Americans are murdered every year and that most of the murderers go unpunished? We get angry enough when half a dozen Americans are killed by foreigners. When a thing like that happens we want to fight, and sometimes we do fight. We are willing to spend billions of dollars and risk millions of lives in order to avenge the killing of a handful of our people if the executions take place on foreign soil, which is outside our jurisdiction; if the acts are performed by people for whose conduct we have no responsibility. But if the killings take place in our own midst, and if the criminals are American citizens for whose acts we have a direct responsibility, we do not get angry, or at least we do not get angry enough to do anything drastic about it.

The reason is, no doubt, that in the case of the offense by foreigners our course seems simple. The act is done by foreigners, so we go out and fight foreigners in reply. If Germans kill Americans, then we fight Germans. If Japanese kill Americans, then we fight Japanese. We are not called upon to think or to plan. We respond by direct physical acts. When, however, we are confronted by the problem of crime in this country, we see at once that we cannot meet the situation merely by striking out in acts of physical revenge. We do strike out if we can lay our hands on the criminals. But that is a hard thing to do. In order to protect, punish and especially, in order to prevent crime, we have to lay plans for better courts, for better agencies of detection, for better prison systems, and we may even be obliged to change rather radically some of our customs and a part of our philosophy of life. This is a complex problem, one that challenges our thought. And people do not like to think. The problem is confusing, and so it is allowed to go untouched.

It should, however, claim the attention of the more thoughtful. And when thoughtful people begin the examination of the causes of crime and some of the remedies, they find that a good many things need to be done. For one thing, we need to make over our reformatories and prisons. Many of them are little more than schools of crime. John Dillinger, for example, learned gang practices—learned how to be a skilled criminal—in a reform school. He was supported by public money while he learned how to prey more successfully upon the public.

We can do quite a little by reforming some of our institutions and by changing some of our laws, especially

the laws which permit justice to be thwarted by unscrupulous lawyers who find technical loopholes through which criminals may escape. But we need to reform more than the laws. We must change some of our customs. Everyone knows that many of the great fortunes have been made by sharp practices. They have been made through speculation, which, in some cases, amounts practically to gambling. When fortunes can be made by ruthless business practices, even though these practices come within the law, encouragement is given to all those who are attracted by the prospect of easy money. Some people thus attracted are not careful to keep within the law.

The men who have made great fortunes are not the only offenders against a sound business morality. Thousands upon thousands of people engage in speculation or gambling. They buy lands, not for use, but for speculation, and hope for increasing value. They buy stock, not as an investment, but in hope of sudden price changes which will make them rich. Too many of our people count upon getting along, not by working and reaping the rewards of labor, but by playing some game so that they may acquire great wealth by speculative devices. People who do this are not criminals and are not to be considered as such. But their gambling activities help to create an atmosphere conducive to criminality. Weaker members of society see their neighbors profiting by games of chance. They themselves want easy money. They have not learned by example that one becomes economically secure only by honest labor. They see too many who become secure, or seem to become secure, by other means. These weaker individuals are, therefore, encouraged to get what they want without working, even though their devices may be pilfering and robbing rather than speculation.

It is a long, hard road to the sort of social stability which encourages honesty and obedience to law. It is a long, hard road over which we must pass if we are to develop a law-abiding society. There are many things we must do. There are reforms we must make in the laws, in our institutions, and in our own conceptions of business ethics. But the road is one which all honorable and enlightened citizens should try to follow.

Cotton and the Bankhead Law

The St. Louis *Post-Dispatch* agrees with the Texas *Weekly* that the Bankhead cotton bill may be injurious to the South and offers a criticism:

The Bankhead law limits the cut in crop to ten million bales this year, and it puts a tax of half the market value on all cotton brought to the gin in excess of that quantity. The *Weekly* says: "It is called a tax, but it is a penalty. It is a penalty for having produced an extra bale of cotton, for having created something useful. The farmer will be compelled to pay this penalty or he will be prevented from selling his extra bale of cotton. If he can find anybody who will conspire with him to avoid this penalty, somebody who will conspire with him to bootleg the extra bale, they will both get into trouble."

Those Professors Again

"Don't Shoot the Professors!" is the subject of an article in the May *Harper's* magazine by Jonathan Mitchell. The writer reviews the work of the president's advisers since the beginning of the New Deal, showing how each professor fitted into the program of recovery and reform. It is his opinion that the choice by Roosevelt of impartial experts from college faculties was almost inevitable. The run-of-the-mill Democrat politicians Mr. Mitchell describes as "entirely useless." The president could not choose Wall Street men from the great business and financial houses if he wanted to maintain his promises of a New Deal. Nor could he listen to the extreme inflationists and spokesmen for the debtor class, such as Senator Thomas of Oklahoma and Huey Long. Mitchell says that the professors were the only men whose appearance in the administration would not have caused a howl of resentment from one faction or another right at the outset. The article ends with a plea for a sound, disinterested American civil service. The writer suggests that the college professors form a nucleus for such an organization, and proposes that more of them be sent to Washington.

The American People

The following quotation is from a recent speech by Dr. Rexford G. Tugwell, assistant secretary of agriculture, and sometimes named as the leader of the so-called "brain trust." The speech was delivered at the convention of the American Society of Newspaper Editors, and revealed Dr. Tugwell's philosophy of government:

It is my belief that the core of the American tradition is to be found in a kind of defiance to fate. We will not do what we do not want to do, and coercion cannot make us. We can be fooled, but not for long.

We have a precious inventiveness which gets us out of holes. We have a saving irreverence of authority. These basic traits determine the structure of our laws and of our government. No one, with the slightest sense of history, would try to fit such a people into a regimented scheme, would try to think for them instead of getting them to think for themselves.

Indeed, anyone who has known them by living their lives, by really being one of them in body and spirit, would know in his heart that law, government, and social organization for



DESTROYERS OF HOPE

—Kirby in N. Y. WORLD-TELEGRAM

such a people must be instruments through which their characteristic actions, resistances, imaginations could find appropriate expression. In this respect I unhesitatingly avow myself a thorough conservative. I do not believe that people can be compelled to do for long anything that is alien to their national character. . . .

If you look for regimentation in American life you will find your best illustrations in industry. We never tolerated prohibition and we finally got it out of our Constitution. We have more difficulty and more confusion in getting rid of regimentation in industry.

And the British

Neville Chamberlain, British Chancellor of the Exchequer, has this to say of the British people. Compare his words with those of Tugwell about Americans:

The British people doubtless have faults. They are slow to realize danger and slower still to change their habits or methods, even when the necessity for change stares them in the face. But they have one supreme virtue which you find in every class in the community. Let them once be convinced their country is in danger, and there is no sacrifice, whether of comfort, money, health or even life itself, which they will not make.

When the need arose in 1931, the sacrifices which were then demanded of our people were accepted cheerfully, and they have since been borne with unexampled courage and patience. Their true reward is that they saved the country.

Real Public Service

A New York physician recently won an interesting court battle, and thereby won the editorial praise of *The Nation*, which is a liberal weekly journal opposed to private operation of public utilities:

We salute Dr. Alton A. Smahl of New York City as the most useful citizen of that august metropolis. He is the type of man who does more for the practical improvement of the community in which he lives than a dozen of the usual reform societies or a thousand men who voice their grievances only in letters to the newspapers. Also—and perhaps most important—he is willing to be called a crank in order to fight for a principle which is important. . . . At the end of seven years' fight, which has cost him about \$3,000 in cash and an unaccountable amount in time and bother, Dr. Smahl has just won a verdict of \$5.40 for overcharges from the New York Telephone Company.

Dr. Smahl contends rightly that the telephone company should be compelled to install meters on the subscriber's premises, just as do gas and electric companies. The scandal of overcharges for extra calls is an abuse of much too long standing. The company always refuses to render an itemized bill of calls made, although no customer of a butcher or a grocer would be legally obligated to pay a bill without a statement of the articles purchased. The telephone company excuses its failure to present an itemized bill by saying that it does not itself keep an itemized account, which is a confession that its system is either inadequate or crooked.

Dr. Smahl is not through yet. He intends to bring another lawsuit to compensate him for the inconvenience and professional loss sustained by the interruption of his telephone service last January. If we were the jury—and the same prediction can be made of those who are likely to be—Dr. Smahl would receive a gratifying sum as damages.

The original knee-action wheel was the bicycle.

—Houston Post

An explorer tells of a tribe in Brazil that eats ants. That's pulling a good reverse on the picnic situation.

—Philadelphia INQUIRER

No one on the Byrd expedition takes any baths, which may explain why so many small boys want to be explorers when they grow up.

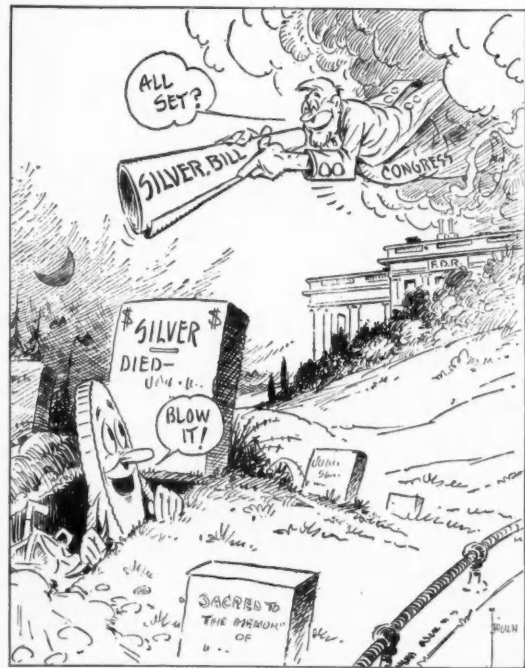
—Omaha WORLD-HERALD

Man is the only animal that laughs. He is the only animal that has a legislature.

—Ohio State JOURNAL

One can understand Italy's desire to expand, for when Carnera returns to the homeland permanently he must have some place for his feet.

—St. Joseph NEWS-PRESS



GABRIEL OVER THE WHITE HOUSE

—Brown in N. Y. HERALD-TRIBUNE

Historical Backgrounds

Studies of the International Armaments Industry Expose Profiteers in the Iron and Blood of War

The Senate's action in ordering an investigation of the armaments industry in this country has added to the interest in the problem of world traffic in armaments. There have just appeared two books on this subject, "Merchants of Death," by H. C. Engelbrecht and F. C. Hanighen (New York: Dodd, Mead and Company, \$3.00), and "Iron, Blood and Profits," by George Seldes (New York: Harper and Brothers, \$2.50.) Besides these books there appeared an excellent article entitled "Arms and the Men" in *Fortune* for March, which has been reissued in pamphlet form by Doubleday, Doran and Company, New York, and may be secured for ten cents.

These various contributions cover generally the same ground and give a vivid picture of the activities of those "Merchants of Death" who derive profits from iron and blood. Information of this kind has been difficult to obtain in the past, and even much of what is known or deduced now cannot be fully authenticated, for the makers of arms are not disposed to discuss their business freely. However, the authors of the above books and pamphlet have gone over the ground carefully and have been able to secure sufficient data to make an interesting and revealing story.

Arms Makers at Work

We find here a detailed record of much that has long been suspected, and, by many, known. The finding briefly is this: The individuals engaged in the manufacture of armaments recognize no distinction as between their customers. They sell their death-dealing devices to their own governments and to other governments as well. They may know that another country may soon become an enemy of their own but that makes no difference. They are in business to sell their product and that is their only concern.

But it goes beyond this. Besides selling armaments to anyone who is willing to buy, armaments manufacturers have sought to exert influence upon their governments to buy armaments. And they have done the same toward other governments. For example, if government A can be induced to purchase a newly developed type of gun, then government B can probably be persuaded to do the same thing, for B does not want A to be stronger than itself. In this way arms races are started. Each government wants to keep pace with the other. Armaments manufacturers are in a position to encourage this mad race and fatten by it.

Thus we learn of a long record of unsavory episodes involving the traffic in armaments. We learn that huge organizations have come into existence in various countries. There is Vickers in England, Schneider-Creusot in France, Skoda in Czechoslovakia controlled by Schneider-Creusot, Mitsui in Japan, supposedly tied up with Vickers, and Krupp in Germany, which is manufacturing armaments again. These organizations reach into every branch of industry in their respective countries. Some of them have members of their board of directors or stockholders holding government positions. In some instances they own or control newspapers. They are powerful combines often capable of influencing the policies of governments.

United States

There is no single huge organization of this kind in the United States. The largest concerns dealing in armaments are the Bethlehem Steel Company, and the Du Pont Company (the stock of this latter increased in price 5,000 per cent in the war period). There are a number of other companies but these are the largest. The record of arms manufacturers in the United States is somewhat clearer than those of foreign countries, although there have been questionable incidents. We have not forgotten, for example, that William B. Shearer was hired by four concerns to attend the Geneva naval conference in 1927. He is given credit for having wrecked the meeting and preventing an agreement to reduce naval armaments among the powers. It has also been hinted that a principal reason for the continuation of the Chaco war between Bolivia and Paraguay, is that American armaments manufacturers have been feeding the conflict. If this is true, it will perhaps become established during the course of the Senate investigation.

But it is the large combines in other countries that have been the most active or, at least, we have more information about them. Let us pick out a few examples from the mass of evidence adduced by authors we have mentioned.

During the war British hand grenades were manufactured by Vickers and equipped with special fuses, the design for which was appropriated from an invention owned by Krupp in Germany. After the war Krupp sued Vickers for violation of patent rights. The case was settled out of court in Krupp's favor.

Krupp was the developer of the crucible steel cannon. In 1868 he endeavored to interest Napoleon III in his product. The

French emperor was not impressed with the value of the weapon and refused to buy. Two years later the Franco-Prussian war broke out and when it was over it was generally agreed that Krupp cannons had won the war. Yet Krupp, knowing the superiority of his weapon, did not hesitate to attempt to sell to an enemy. In 1912 it was revealed that Krupp had manufactured 53,000 cannon since he had begun to manufacture armaments. Of these, 26,000 had been sold to Germany and 27,000 to 52 foreign countries.

Maxim

The principle of the modern machine gun was discovered by Maxim, an American who became a British subject and who was connected with Vickers.

Prior to the Boer War machine guns were sold to African negroes and were later turned upon British soldiers. This has frequently happened. The Germans supplied armaments to Belgium and then invaded the country in 1914. Krupp armor plate (the best in the world) was supplied to all the great navies in the world. Before the war Germany supplied England, Japan and Russia with some of her finest dirigibles. The British helped build and train the Turkish navy before the war. And in 1930 Japan supplied 37.5 per cent of the armaments purchased by China.

Cooperation in Wartime

Other incidents go to show how armaments manufacturers cooperate with each other and with governments, even in war time. The Brierly affair during the World War is now famous. The finest iron mines of the French armament were located in the Briey basin. Early in the war these mines were captured and used by the Germans. Time and again the French might have bombarded these mines and destroyed the German advantage. But they did not do so, because they did not want the Germans to bombard other mines of theirs in Bombasle. To quote "Merchants of Death":

Here then was the situation. By a kind of supernational power the arms makers of France and Germany had brought it about that their sources of supply—and profit—were not disturbed. Had both Briey and Bombasle been destroyed, the war would have ended much sooner; but the hand of destruction which dealt so ruthlessly with human life, with famous cathedrals, libraries and art treasures, was stayed when it approached the iron mines of the arms merchants.



THE DEADLIEST RACKET IN THE WORLD

—Kirby in N. Y. WORLD-TELEGRAM

And during the war French and German cooperation continued to a remarkable degree. France needed magnetos which could only be secured in Germany. At the same time Germany needed aluminum for the construction of dirigibles. Accordingly trade was carried on between the two countries through the medium of Switzerland, a neutral country. Thus was the war prolonged to permit the slaughter of more men.

Arms not Root of Evil

We have been able to cite only a very few instances descriptive of the operation of armaments manufacturers. The reader is urged to consult any or all of the books mentioned for more complete information. It must also be borne in mind, however, that the fact that the arms makers seem to stand indicted does not at all indicate that the principal cause of war has been found. True, the "Merchants of Death" are in part responsible for war in that they foment war scares, contribute to arms races and so forth. But the real causes of war lie much deeper than this. We must look to nationalism which has so many political and economic manifestations for the real roots of war.

How then can the difficult problem of arms traffic be solved? Various solutions have been proposed but they all seem to involve insuperable complications. It has been suggested, however, that the armaments industries be nationalized. But so many types of products, so many raw materials are used in the manufacture of armaments that hardly anything short of complete socialism would achieve the desired result. It has also been suggested that the countries manufacturing armaments prohibit the export of such materials. But this would result in placing the weak countries at the mercy of the strong.

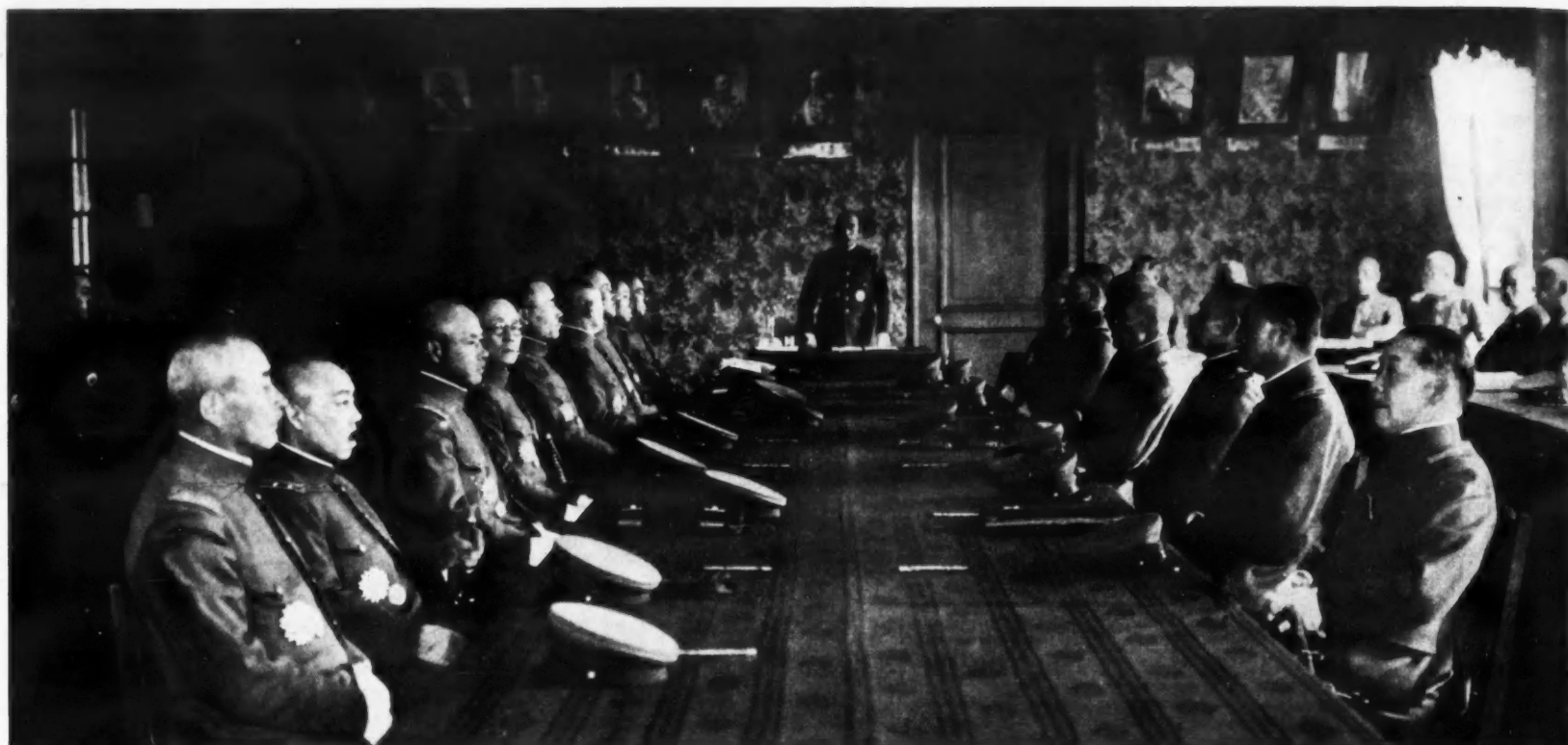
In fact the problem should be attacked not from the angle of the arms manufacturers but from the angle of national policies which produce wars. The arms industry is more an effect than a cause. In this respect the findings of the authors of "Merchants of Death" appear sound:

There remains but one real way out, disarmament. . . . Disarmament has not been achieved because of the international political situation. International politics in turn are determined by our whole civilization. Our civilization has permitted and even fostered war-making forces, such as nationalism and chauvinism, economic rivalry and competitive capitalism, imperialism and colonialism, political and territorial disputes, race hatred and pressure of population. The traditional way of establishing an equilibrium between these rival forces has been and is violence, armed warfare. . . . The arms industry is plainly a perfectly natural product of our present civilization. More than that, it is an essential element in the chaos and anarchy which characterize our international politics. To eliminate it requires the creation of a world which can get along without war by settling its difficulties and disputes by peaceful means. And that involves the remaking of our entire civilization.



—Courtesy German Tourist Office

THE KRUPP PLANT IN GERMANY, FAMOUS FOR ITS ARMAMENTS MANUFACTURES BEFORE THE WAR.



THE MEN WHO RULE JAPAN
A recent picture of Japanese military leaders as they met in conference. Minister of War Hayashi is presiding.

© Acme

The World Watches Japan's Asiatic Policy

(Concluded from page 1)

ment, as later revised and delivered into the hands of the American and British ambassadors in Tokyo follows. It gives what was said at the time to be Japan's "true policy" toward China:

Japan has no wish to infringe on the independence, interests or prosperity of China. As regards Manchoukuo, we ask the other powers to recognize the fair and free actions of that country. Neither in Manchoukuo nor in China have we any territorial ambitions.

Japan is geographically in a position to share in the trade and profits if China is united and developed, but the unification and prosperity of China must not be attained by selfish exploitation by other powers.

We have no intention to interfere with the interests of third parties. If other powers engage in trade with China, for the benefit of China, we welcome it. We have no desire to deviate from the open door and equal opportunity or to infringe treaties, but Japan objects to any action whatsoever by other powers that may lead to disturbance of peace and order in Eastern Asia. (Italics ours.)

Japan bears the responsibility for maintenance of peace and order in Eastern Asia with other Asiatic powers, particularly China. The time has passed when other powers, or the League, can exercise their policies only for the exploitation of China.

Adheres to Policy

A careful study of this statement will show that while Mr. Hirota used soft words, and avoided the specific, he made no substantial changes from the original declaration. The part of the statement in italics can be interpreted any way the Japanese may wish it to. It is apparent, therefore, that Japan's policy is fixed and that she is unwilling to deviate from it.

The questions which arise at once, of course, are why did the Japanese make such a declaration of policy at this time and what lies behind it? It appears that several things prompted the foreign office spokesman to give out his statement. In the first place the Japanese have been alarmed by reports that the League of Nations is preparing to place in effect a plan for the reconstruction of China. A number of technical commissions and advisers have been sent to China by the League. Likewise, Dr. Ludwig Rajchman, technical adviser to the League of Nations, is on his way back to Geneva from China with a carefully drawn-up report, on which, it is said, the proposed plan may be based. How much truth there is to all this will probably be learned on May 14, when the League's commission dealing with the Far East meets.

Japan was also concerned over military assistance given to China by a number of

individuals, particularly Americans. The extent of this activity is well described in Engelbrecht and Hanighen's "Merchants of Death" (See page 5). The authors of this book say:

American airplanes are making history in various parts of the world, particularly in China. The Chinese were interested in speedy fighting airplanes, and in order to translate that interest into orders, Major James H. Doolittle, former army speed flier, demonstrated the Curtiss-Hawk pursuit plane to the Chinese. After this, the Curtiss-Wright factory at Buffalo sold thirty-six planes in the Far East. At the same time it was arranged that Colonel John B. Jouett, the originator of the so-called attack aviation, should go to China with a dozen crack American pilots and four skilled mechanics. This group is under three-year contract to train Chinese pilots. Every eight months they are to graduate fifty Chinese pilots with at least 180 hours flying time for each. These American ventures were so successful that Curtiss-Wright decided to build an airplane factory at Hangchow at a cost of \$5,000,000. The Nanking government has agreed to buy at least sixty planes a year.

These are two of the foremost reasons which led Japan to issue a warning to the western nations. But the real issues, of course, lie deeper. What is actually at stake is Japan's entire position in the Far East.

Real Issues

The Japanese, as is well known, are dependent on foreign trade for their existence. Japan has a population of 67,000,000 locked up in an area smaller than the state of California. This population is increasing at the rate of 1,000,000 a year. Obviously the Japanese cannot grow enough food for their own needs. They require in addition raw materials for their manufacturing industries and, above all, they need to sell their goods to other countries. It is a matter of life and death for them.

Japan has looked to China, more than anywhere else, to provide her with the economic security which she must have.

It was this desperate necessity to promote her trade that was the most important factor in Japan's decision to conquer Manchuria in 1931. Prior to that time the Chinese and Japanese had had numerous disagreements. There is no doubt that the Chinese were obstructing Japan's peaceful penetration of Asia. Such tactics resulted from a number of incidents which embittered the relations between the two countries. Their patience exhausted, the Japanese struck. They took

Manchuria and turned it into Manchoukuo. Since then considerable progress has been made in the new state. Peace reigns and for the most part banditry has been suppressed. Manchoukuo is beginning to prosper under the efficient management of the Japanese.

Costly Adventure

The establishment of Manchoukuo has proved costly to Japan. The burden of military occupation has nearly wrecked the treasury. Japan has lost the sympathy of other nations which believe her guilty of violating the Kellogg-Briand pact, and the Nine Power Treaty by which the nations are pledged to respect China's sovereignty and territory. Japan has also suffered by the intensified resistance of the Chinese as expressed through the boycott against Japanese goods. All these things have been a heavy drain on Japan. In fact her whole adventure has proved so costly that it is unlikely that she would attempt the conquest of more territory at this time unless she deemed it absolutely necessary.

But nevertheless, under the guidance of the military leaders who are in supremacy in Japan, the Japanese are determined to see their policy through. Having gained Manchoukuo they want to guard against losing it. They are anxious to preserve their interests peacefully, but will fight if necessary. They are taking precautions to prevent the strengthening of China by other powers in order that she can oppose Japan. It does not seem that this could happen for many, many years if at all. But statesmen must look far into the future. This is what the Japanese are doing. This is why they are warning other nations to be careful in their dealings with China.

Other Powers

What about these other powers, the United States, Great Britain, France, and also the League of Nations? How are they going to take Japan's policy?

American policy toward China is based on the "open door" which prescribes equal trade privileges for all nations, and the Nine Power Treaty, which is meant to preserve China's full independence. Our total trade with China, exclusive of Manchoukuo, last year amounted to about \$102,000,000; Great Britain's about \$50,700,000, and Japan's about \$57,039,000.

Is this trade to be menaced? Will Japan shut the open door? These are questions which are seriously concerning officials in

Washington, London, Paris and other capitals. Japan claims that trade (approved trade) will not be obstructed. But other nations are not fully reassured. There is a fear that the future will bring even greater disputes over China than have already taken place. Japan's policy may give rise to such a host of problems that in the end the United States may have to give up its Chinese trade or go to war for it. The *New Republic* takes this view and explains it as follows:

Of course it may be argued that Japan is now talking about that kind of trade and financial assistance that she regards as having a direct military value. Even so, the problem is difficult enough. The memorandum to which the foreign office spokesman referred is virtually a demand that other governments establish an embargo against all exports to China of munitions, as well as all financial and personal assistance that might be turned to military purposes. Now, a good case may be made for such an embargo, in peacetime as well as in war, provided it is a general and impartial one. Traffic in arms is not a pleasant business, and it surely endangers the peace of the world. But no nation could discriminate against China in this way as long as she remains even technically an equal in the family of nations. We should have to apply the embargo against Japan and all other powers.

However, in practice the issue is not likely to be so phrased. Japan, it will be noted, retains the right to judge what trade is to be barred. Past efforts to distinguish between contraband and nonmilitary articles have been difficult in the extreme; belligerents tend to enlarge the contraband list until it includes almost everything of importance in peace. If military planes are barred, what about civil aircraft? What about tractors and trucks and automobiles? What about steel, machinery, chemicals? What about wheat and cotton—to China's receipt of which Japan already seems to object? It is really impossible to draw the line where it will leave much legitimate trade, especially if the nation that does the judging has its eye on economic exploitation as the end of its policy.

The logical result of Japan's present course is, therefore, to present to the United States the alternative between giving up the right to trade with China and waging a war upon Japan. It would, of course, be insanity to choose the second alternative. Any major war is in itself a disastrous experience. And this war in particular would be almost certain to end with our surrender of the thing fought for. The United States could not possibly be successful in engagements with the Japanese in Asiatic waters. Even the American and British navies combined would have only a chance of dominance in such an endeavor. A world alliance against Japan would be the only means of anything like certain victory. But Japan would doubtless count on preventing such union by offering some of the more important powers a share in Asiatic imperialism in the shape of "spheres of influence" and the partitioning of China.

Our National Crime Problem

(Concluded from page 1, column 4)

that it is often cumbersome for a state to follow the trail of a criminal who flees to other states. It involves the coöperation and assistance of the other states' police authorities and this is not always an easy matter. So Mr. Cummings is in favor of tightening the federal police grip to deal with this type of crime.

He says that every bill his department submitted to Congress has the endorsement of the International Chiefs of Police. This organization comprises the chiefs of police of most of the important cities in the country. They, if anybody, would be jealous of too great federal encroachment on state and local rights.

Anti-Crime Bills

Here are some of the anti-crime bills which have been either approved by Congress or are under consideration at the present time.

(1) *A bill to extend the provisions of the National Motor Vehicle Theft Act to other stolen property.* This measure makes it a federal offense to transport stolen property knowingly in interstate or foreign commerce.

(2) *A bill applying the powers of the federal government to extortion by means of telephone, telegraph, radio, oral message or otherwise.* It supplements the "Patterson Act," passed July 8, 1932, which, among other things, makes it a federal criminal offense to transmit threats through the mails, with intent to extort any money or other thing of value. Realizing the effectiveness of the federal government's investigating agencies, criminals are purposely refraining from sending extortion letters through the mail, using instead the telephone, telegraph, radio and other means of conveyance. Incidentally, since the "Patterson Act" was passed, the government has been successful in solving twenty-three out of twenty-four kidnapping cases. Fifty-three persons have been convicted and given sentences totaling 784 years.

(3) *A bill to amend another section of the "Patterson Act," which makes it a federal offense to transport kidnapped persons in interstate commerce.* The amended bill extends the jurisdiction of the federal government to persons who have been kidnapped and held, not only for reward, as in the original act, but for any other reason. Secondly, a further provision is added which is expected to make it possible for the federal agents to start action on a kidnapping case if the victim has not been returned to his home in three days.

(4) *A bill making it a federal offense for any person to flee from one state to another for the purpose of avoiding prosecution, or the giving of testimony in certain cases.* One of the most difficult problems

which local law enforcement agencies have to deal with today is the ease with which criminals are able to flee from the state to avoid prosecution. Then, too, witnesses frequently leave the state to avoid giving testimony in criminal proceedings.

(5) *A bill to provide federal punishment for certain offenses committed against banks operating under laws of the United States or any member of the Federal Reserve System.* This measure is directed at one of the most serious forms of crime committed by organized gangsters who operate habitually from one state to another—the robbery of banks. These criminals are sufficiently powerful and well equipped to defy local police, and to flee beyond the borders of the state before adequate forces can be organized to resist and capture them. The above bill would not give the Department of Justice exclusive jurisdiction in dealing with such bandits, but would allow the department to intervene when it became evident that local forces could not cope with the criminals.

(6) *A bill making it a federal offense to kill or assault a federal officer.* This measure, which adds murder of a federal officer to the list of crimes which may be tried by a federal court instead of exclusively in state courts, bears directly on Dillinger's Wisconsin clash which resulted in the death of W. Carter Baum, an agent of the Department of Justice.

(7) *Machine-gun and small firearm legislation.* This bill would place a levy on all machine-guns and other firearms, such as sawed-off shotguns, pistols and silencers. It also would lay down strict regulations including the fingerprinting of purchasers.

This is not all of the anti-crime legislation pending in Congress. However, these are the most important measures. There are others to improve federal criminal procedure and to make it less possible for lawyers who represent gangsters to "get around the law" on technicalities. In addition there is one bill, which, if passed, will give the Department of Justice a powerful weapon over large-scale racketeering—a weapon which it has lacked in the past.

Until recently, a number of these measures would have been bitterly opposed in Congress on the ground that the federal government was attempting to infringe on state power. And many congressmen are still fighting against them for this reason. But public opinion at the moment leans so heavily toward even greater federal police power to combat the so-called crime wave that the bills are not expected to encounter serious opposition.

How is the government equipped to handle increased crime responsibilities?

The Investigation Division of the Department of Justice, headed by J. Edgar Hoover, is gaining an enviable reputation for the successful performance of its duties. As we stated earlier in this article, its record for apprehending kidnappers just misses being perfect. It is the national clearing house for criminal records. There are more than 4,000,000 fingerprints of known criminals already filed there, the largest such record in the world. It is used by national, state and foreign agencies.

The Bureau of Identification, which is a part of the Investigation Division, is concerned with the matter of identifying criminals. Its agents—about 400 in all—operate from twenty-three offices situated at strategic points throughout the country. These agents are educated persons, carefully selected and well trained. The results they have obtained so far speak for themselves. However, this bureau will have to be greatly expanded, both in equipment and personnel, to meet its new responsibilities.

Even though the enlarging of police powers of the federal government will undoubtedly go far toward checking organized crime and racketeering, it will by no means solve all the crime problems of state and local communities. It is difficult to make a sweeping statement relative to these problems, as they are of such varied and complex nature. In some cases, "politics" plays too important a part in the judicial set-up. It is urged by many authorities that the common practice of electing judges to the bench should give way to the appointive system, and that adequate legal training be required of all magistrates (it isn't in the majority of cases now). Then there is the problem of bettering prison conditions. In some places they are notoriously bad. Not the remotest effort is made to segregate hardened criminals from the newcomers. Moreover, no attempt is made to provide the cultural and vocational education deemed necessary by many authorities to help prisoners reestablish themselves in community life when they are freed (see page 4). In other instances, the granting of inexcusable "extensions of time" to lawyers in order that they may delay cases from being brought to trial frequently results in tardy and undernourished justice. Other causes of delay may be an archaic system of pleading, or overcrowded condition of a court's calendar, or a complex judicial structure. All these factors undermine public respect for law.

Still another very important matter pertaining to the crime situation—perhaps the most fundamental one so far mentioned—concerns the attitude and training and efficiency of police forces. Although this may seem irrelevant, it is not easy to deny that the discourtesy and inferior caliber of many policemen have helped to create a disrespect for the law on the part of the public. This is not to say that there are not fearless, well-disciplined police forces, the members of which discharge their duties faithfully and admirably. But there are too many forces of the opposite variety. And people resent being treated like criminals when they break a minor traffic regulation. When policemen make elaborate display of their authority by us-



—Courtesy National Education Association

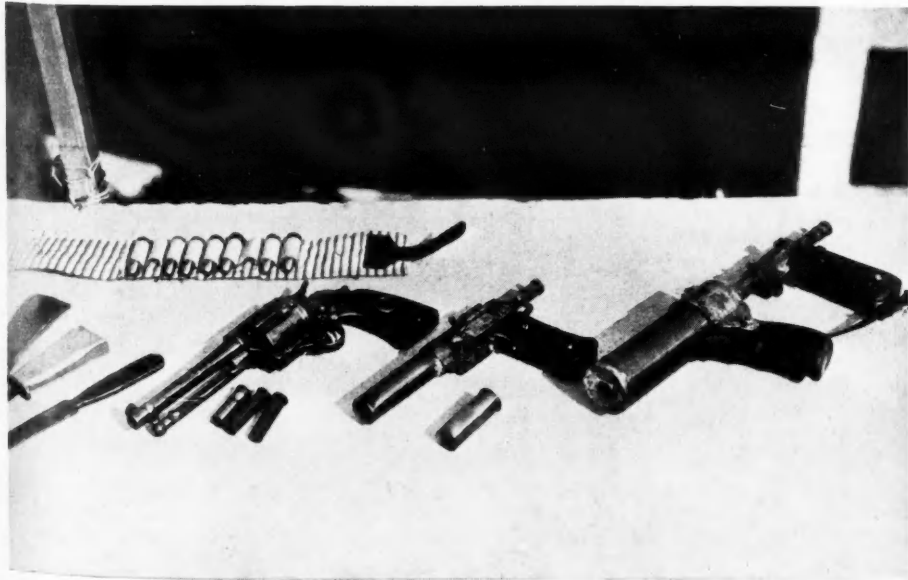
ing "rough-neck" tactics in their dealings with ordinary citizens, they make it more difficult to mobilize public opinion behind the movement to reduce the amount of crime in this country. And unless the people take an interest in a reform movement of this character, the prospect of its success is negative.

The question arises as to what those citizens can do who are interested in this vital problem. For one thing, they can form citizens councils in their communities. The members of these councils should examine the judicial and penal systems of their communities and states. They should confer with judges, lawyers, and police authorities. They should find out what steps are being taken by other states to tackle the problem of crime. They should read the opinions of experts on the subject. Then they should bring pressure to bear on their fellow citizens to effect reforms which are obviously and urgently needed.

Social Problem

The reduction of crime to a minimum, however, is not thought possible by many until social conditions are drastically improved. It is well known that unemployment, poverty, bad housing and lack of proper recreational facilities play an important part in producing criminals. The curtailment of educational and recreational opportunities for thousands of children during the depression will most certainly add to our crime problem, both now and in the future. About 1,500,000 children were turned out of school early this year because of depleted education funds. Every effort should be made by thoughtful citizens and by local, state and national governments to occupy the minds and time of these young people in such manner that they may develop into law-abiding and useful citizens. A recent survey showed that sixty per cent of a group of 10,000 children in a large city preferred a recreational program of games or hikes to the motion picture. However, 99.94 of them attended movies for want of something better to do.

Following are several references on crime and our judicial system: (1) "Recent Social Trends in the United States" (two-volume edition), pp. 1114-1168; (2) "Government in the United States," by Claudius O. Johnson, pp. 407-439; (3) "Crime and Criminal Law in the United States," by H. Best; (4) "Our Lawless Police," by E. J. Hopkins.



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THE SINEWS OF RACKETEERING



The National Capital Week by Week



A Record of the Government in Action



PLAIN politics becomes an increasingly popular topic of discussion in Washington this week as primary elections get under way. Members of the House and Senate who will be up for reelection are planning their campaigns and trying to gauge their chances. On Tuesday, May 1, Alabama and South Dakota citizens cast their votes for the primary nominations of state governors and representatives in

their effect on the current developments in the national capital. Except for the progressives, the Republican members of Congress are searching for ammunition to fire at the Roosevelt program. It is expected that they will take full advantage of such charges of dictatorship, plotting and planning, and New Deal interference with recovery, as have been made.

Meanwhile, with one eye cocked on election possibilities, members of Congress debate the two chief bills remaining on the calendar for this session—the stock market control bill and the reciprocal tariff measure. Discussion of both will be long and loud. Finally they will pass, but with amendments which no one can predict yet. Again, there is no doubt that these bills in whatever form they are approved will furnish campaign material for congressional elections.

At last the disagreement on the ten per cent railroad pay cut has been settled. After Joseph Eastman had given up trying to bring the managers and employers together, they realized that the situation was really serious, and that a nation-wide strike was a possibility. So they sat down together in another series of conferences and emerged with a settlement. The new contract is for the most part a victory for the workers. One quarter of the ten per cent wage reduction will be restored July 1, another quarter on January 1, leaving a five per cent cut, and on April 1 next year railroad pay checks will return to the normal basic rate. In the next few months, also, railroad managements must decide on some financial plans which will follow the president's recent recommendations.

Russian Debt Question

Since the recent announcement by the Export-Import bank, headed by George Peek, that credit could not be extended by the United States for Russian trade until Russian-American debts are settled, Soviet authorities have begun to take action on the debt question. The recognition agreement signed by the two countries did not dispose of the problem of \$187,000,000 which the Kerensky government borrowed from America. When the Soviet Union was formed, succeeding Kerensky, it disclaimed all debts of previous governments, particularly since some of the money had been used to fight the Bolshevik efforts to seize control. Now that this old dispute is preventing credit and trade, Ambassador Troyanovsky and President Roosevelt will probably talk it over again and attempt to

reach a definite conclusion of the matter.

Visitors are flocking to Washington's Corcoran Art Gallery these days to view the collection of 600 paintings and drawings produced by PWA and CWA artists. These pictures were chosen from several thousand individual projects throughout the country, and they are the first examples of works of art created by United States government subsidies. President and Mrs. Roosevelt attended the showing several days ago, and selected thirty pictures to be hung in the White House.

Naturally there is a wide range of quality in the work exhibited; some of it is extremely good, and some of it is not very appealing. On the whole, the crayon and charcoal drawings and the etchings show to better advantage than the oils and water colors. But the entire collection testifies to the interest and industry of the artists who received help from public works funds. Already there is considerable sentiment in favor of continuing such projects on a reduced scale.

Another Display

Another exhibition which is attracting attention is that of products made by unemployed workers and the first residents of the government's subsistence homesteads. Under the direction of M. L. Wilson, head of the subsistence homesteads division, these sample products were placed on display in the Department of Commerce building.

Hand-made furniture, simple but beautiful, has been manufactured by unemployed miners and their families. Rugs have been woven on hand looms from old silk stockings, tools made from scraps of iron, and many kinds of baskets and needlecraft fashioned from crude materials. More than fifty coöperative groups are represented in the exhibit.

The Senate has passed the McKellar-Black air mail bill, which requires the air lines to reorganize and clean house in order to get mail contracts. Modifications proposed by Republicans were voted down. The thought of silver still occupies the minds of many congressmen, but Mr. Roosevelt continues to discourage their ambitions. He is still convinced that any further plan for silver must be world-wide, rather than merely national.

As part of the preparation for the New Deal congressional election campaign and as part of a general explanation and defense of the administration policies to the public, several leaders have taken the stump recently. When the subsistence homesteads

exhibition opened, President Roosevelt attended and said in an informal speech that the New Deal is "evolution, not revolution." Secretary Wallace went to Omaha to convince a few doubters in the Middle West that the AAA is not a communistic movement to destroy American ideals, but just the reverse.

Dr. Rexford Tugwell has made two clear, forceful speeches outlining his views and avowing himself a conservative. Secretary of State Hull added his bit in another address. More of such exposition of the New Deal philosophy and tactics will probably follow. These officials have been somewhat surprised to learn that many people thought they were concealing their program. They believed and still believe that they have been frank and open in telling about it, but they want to make sure now that doubts are overcome and that every citizen may know what his government is doing.

President Roosevelt has responded to criticism of the "brain trust" by recommending the promotion of Tugwell from Assistant Secretary of Agriculture to a newly created position—Undersecretary of Agriculture—at a higher salary.

As this is written the United States Chamber of Commerce is holding its annual convention at its Washington headquarters. The keynote of the meeting is the detailed examination of NRA and other government agencies in their relation to



"THIS IS THE REVOLUTION I'M INTERESTED IN"
—Carmack in CHRISTIAN SCIENCE MONITOR

Congress. But the greatest national interest in May primaries is centered upon Pennsylvania and New Jersey. Senator David A. Reed of Pennsylvania is opposed in the May 15 Republican senatorial primary by Governor Gifford Pinchot. On the same day New Jersey will determine whether Governor A. Harry Moore receives the Democratic nomination for senator so that he can battle the present incumbent, Senator Hamilton F. Kean, who is a Republican.

For or Against?

In these elections, as in all the others to come, the issue is: for the New Deal or against it? Senators Reed and Kean are against it. Governors Pinchot and Moore are for it. Indiana primaries on May 8 will select candidates for the House of Representatives. In that state a number of Republicans will seek nominations to oppose Democrats who replaced them in the 1932 landslide. Senator Arthur Robinson, a bitter Republican opponent of the Roosevelt administration, will undoubtedly be renominated by his party convention. Several entrants in the Democratic race will fight it out in the party convention June 15 for the privilege of facing Robinson in the autumn campaign, which should be a torrid battle with no holds barred.

Other primaries are coming, and all have



THE EARLY BIRD REFUSES ONE

—Brown in N. Y. HERALD-TRIBUNE

business. The Chamber will undoubtedly have some recommendations to make, and they should be interesting material for further expression of opinion. The period of analysis of the New Deal is still here. Its results will be demonstrated, one way or the other, in the elections.

Something to Think About

1. Is the prevention and punishment of crime the responsibility chiefly, of the national government or the state and local governments? What sort of crimes have been within the jurisdiction of the national government?

2. What new responsibilities relative to crime are being taken over by the national government? What advantages does the national government have over local authorities in dealing with gangsters?

3. Describe the crime bills now being considered in Congress and tell what each one is supposed to accomplish.

4. "If crime is to be checked we must do more than to pass laws. We must also change some of our institutions and some of our concepts of business ethics." Is this statement true? Tell why or why not.

5. Explain Japan's position relative to China and the other nations. What do you think the Japanese hoped to accomplish by their recent statement? Do you think they are justified in their position?

6. What, if anything, should the United States do about the Japanese statement? Are any of our vital interests affected by Japanese policies? If so, are any of these interests worth fighting for?

7. Compare Japanese policy in the Orient with the Monroe Doctrine.

8. To what extent, in your judgment, are the armaments manufacturers responsible for the outbreak of wars?

9. What is expected to be the main issue of the coming congressional elections?

REFERENCES: (a) Behind the Guns of Crime. *The American Mercury*, January, 1934, pp. 11-13. (b) Can the Kidnapper Elude Uncle Sam? *Review of Reviews*, October, 1933, p. 9. (c) What Japan Wants. *Current History*, May, 1934, pp. 129-134. (d) Japan's Challenge to the West. *The New Republic*, May 2, 1934, pp. 322-324.

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